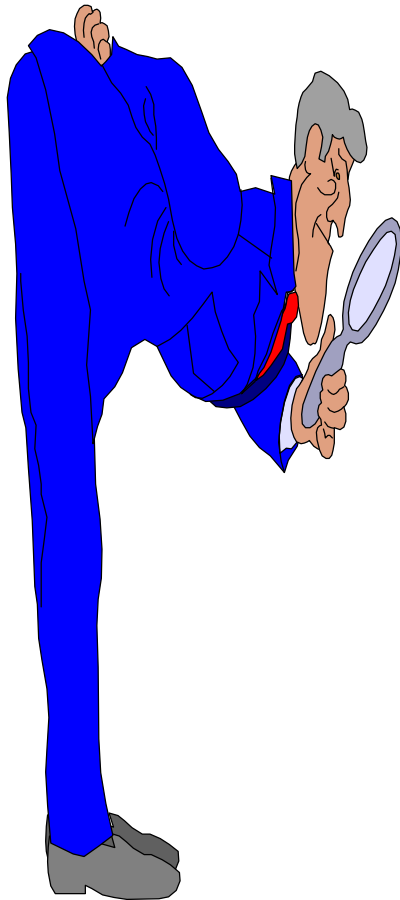


Key Ideas

Chapter 7: Additional Appropriations



In this section, we will discuss the following:

- *The use of the appropriation process.*
- *The publishing of legal notices.*
- *Public hearings.*
- *Filing Certified Copies.*
- *Reporting additional appropriations.*
- *The determination of sufficient funds.*
- *Debt service issues.*
- *Requesting a reconsideration of a determination.*

ADDITIONAL APPROPRIATIONS

The additional appropriation process is used to appropriate money in excess of the established current year budget. The following outlines the provisions for pursuing an additional appropriation.



The additional appropriation process is used to appropriate money in excess of the established current year budget.

The fiscal body of a County must act on all additional appropriations, approval by the State Board of Tax Commissioners is limited to funds that receive revenue from property taxes levied under IC 6-1.1 or IC 36-4-7. Additional appropriations from funds that do not receive property tax revenue must only be reported to the State Board of Tax Commissioners. In this process, there is a heavy reliance upon the county Auditor to provide the State Tax Board with accurate information.

The following steps should be followed when obtaining additional appropriations (authority to expend funds) that were not included in the annual budget. **Counties with departmentalized budgets should use these procedures when appropriations are reduced in one department and re-appropriated in another department within the same fund.**

The first step occurs when the proper officers of a county desire to appropriate more money for a particular year than the amount prescribed in the budget for that year as finally determined by the State Board of Tax Commissioners budget order, they shall give notice of the proposed additional appropriation. The notice shall state the time and place at which a public hearing will be held on the proposal. The notice shall be given once in accordance with IC 5-3-1-2(b) for a public hearing on the proposal.

Legal notices for additional appropriations, whether or not they require approval of the State Board of Tax Commissioners, must be published one (1) time in one (1) or two (2) newspapers, no less than ten (10) days before the public hearing on the proposal.



Legal notices for additional appropriations, whether or not they require approval of the State Board of Tax Commissioners, must be published one (1) time in one (1) or two (2) newspapers, no less than ten (10) days before the public hearing on the proposal.

Ex: Public hearing is to be held on June 20. The notice for the additional appropriation must be published no later than June 10. Note: Ten days between June 10 and June 20. If you have a weekly newspaper in your county, you are still required to publish in a timely manner.

For counties that are uncertain whether a local newspaper meets the requirements for publishing, the definition of qualified newspaper follows.

Qualified publication as defined in I.C. 5-3-1-0.7:

"a) As used in this chapter, "qualified publication" means a publication that:

- (1) is published daily, weekly, semiweekly, or triweekly;
- (2) is of general circulation to the public;
- (3) has been published for at least three (3) consecutive years in the same city or town;
- (4) has continuity as to title and general nature of content from issue to issue;
- (5) contains news of general or community interest, community notices, or editorial comment;
- (6) contains advertisements from unrelated advertisers in each issue;
- (7) has, in more than one half (1/2) of its issues published during the previous twelve month period, not more than seventy five percent (75%) advertising content;
- (8) has a known office location in the county which it is published; and
- (9) has been entered, authorized, and accepted by the United States Postal Service as mailable matter of standard mail (A) class for the time published."

I.C. 5-3-1-4 covers the guidelines for publication requirements for all political subdivisions. A brief summary of requirements follows:

County- IC 5-3-1-4(a) reads, "Whenever offices of a political subdivision are required to publish a notice affecting the political subdivision, they shall publish the notice in two (2) newspapers published in the political subdivision."

IC 5-3-1-4(c) reads, "If there is only one (1) newspaper published in the municipality or School Corporation, then publication in that newspaper alone is sufficient. If no newspaper is published in the municipality or school corporation, then publication shall be made in a newspaper published in the county in which the municipality or school corporation is located and that circulates within the municipality or school corporation. The notice shall be posted:

- (1) at or near the city or town hall or school administration building; and
- (2) at the post office in the municipality or school corporation (or at the bank if there is no post office)."

IC 5-3-1-4(e) reads, "Notwithstanding any other law, if a political subdivision has territory in more than one (1) county, public notices that are required by law or ordered to be published must be given as follows:

- (1) By publication in two (2) newspapers published within the boundaries of the political subdivision.
- (2) If only one (1) newspaper is published within the boundaries of the political subdivision, by publication in that newspaper and in some other newspaper:

- (A) published in any county in which the political subdivision extends; and
- (B) that has a general circulation in the political subdivision.
- (3) If no newspaper is published within the boundaries of the political subdivision, by publication in two (2) newspapers that:
 - (A) are published in any counties into which the political subdivision extends; and
 - (B) have a general circulation in the political subdivision.
- (4) If only one (1) newspaper is published in any of the counties into which the political subdivision extends, by publication in that newspaper if it circulates within the political subdivision.”

*****Qualified publications must circulate to not less than ten percent of the population of the county in which the qualified publication is published.**

(A sample Notice to Taxpayers and Proof of Posting are included at the end of this chapter.)

The second step requires the fiscal officers of the county to hold a public hearing on the proposal as advertised. At the public hearing, action shall be taken to approve, reduce, or disallow the additional appropriation as advertised. If the Council tables the request until the following month, the additional appropriation **does not** have to be re-advertised. (A sample resolution/ordinance is included at the end of this chapter.) The county council should not adopt appropriations exceeding the amount advertised.



The second step requires the fiscal officers of the county to hold a public hearing on the proposal as advertised.

The third step requires the Auditor to file, after the public hearing, a Certified Copy of their final proposal and any other relevant information with the State Board of Tax Commissioners. Information to complete this form is pulled from the State Board of Tax Commissioners 16-line statement provided at the fall budget hearing. Line items are identified for ease in determining the appropriate figures.



The third step requires the Auditor to file, after the public hearing, a Certified Copy of their final action on the additional appropriation(s) with the State Board of Tax Commissioners.

As the final step for additional appropriations that do not include revenue from property

taxes, the fiscal officer of the county shall report the additional appropriation to the State Board of Tax Commissioners in the form of a Certified Copy.

The Certified Copy provides the State Board of Tax Commissioners with a financial analysis of the unappropriated funds available to support the additional appropriation request. If funds are not available to support the entire request, the request will be reduced by the difference between the amount requested and the amount available.

The State Board of Tax Commissioners relies on the Certified Copy of Additional Appropriations as verification by the taxing unit's fiscal officer that these events (notice published, meeting held, and resolution passed) have occurred. The State Board of Tax Commissioner's order approving additional appropriations is conditioned upon accuracy of the Certified Copy and the financial information provided.

How to complete the Certified Copy of Additional Appropriation form

Completion of the form is required to provide the State Board of Tax Commissioners with a financial worksheet to determine if the appropriate funds are available to support the Auditor's additional appropriation request.

County name: Insert "County Unit"

Unit name: Insert the county name

Date of publication: This is to provide the State Board of Tax Commissioners with the dates the Auditor published notice of the additional appropriation. Recall that the additional appropriation must be advertised in two newspapers if two are available. The dates should be pulled from the newspaper publisher's affidavit.

Newspaper: Provide the name of the publisher of the newspaper advertisement for the additional appropriation. If only one newspaper is used, write not applicable in the second line.

Public hearing: This is the date of the public hearing on the additional appropriation.

Resolution date: This is the date the fiscal body passed the resolution approving the additional appropriation. The resolution date cannot be before the date of the public hearing.

Fund number: This should come from your 16-line statement. Common fund numbers for a county are: 0101 General, 0180 Debt Service, 1312 Park and Recreation, 0708 Local Road and Street and 2391 Cumulative Capital Development.

Fund name: Refer to the fund number on your 16-line statement section for the appropriate fund names.

Appropriation request: This should reflect the amount approved by the county council at the additional appropriation hearing.

Amount by reduction: If the county is reducing a line item within a particular fund, that is considered a reduction. The amount reduced by the county council would be placed on this line.

Amount by surplus: This is the appropriation request minus the amount by reduction.

Line 1: Property tax levy. This reflects line 16 from the 16-line statement provided by the State

Board of Tax Commissioners at the fall hearing or the tax rate multiplied by the assessed valuation reflected on the budget order.

Line 2: Levy excess applied. This reflects line 15 of the 16-line statement provided by the State Board of Tax Commissioners at the fall hearing.

Line 3: PTRC from CAGIT (Line 13). This reflects line 13 of the 16-line statement provided by the State Board of Tax Commissioners at the fall hearing. If you are a CAGIT county, this line should have an amount placed on it. If your county is non-adopting or COIT, there would be no amount on this line.

Line 4: Miscellaneous Revenue estimate (Line 8B). This is line 8B on the 16-line statement provided by the State Board of Tax Commissioners at the fall budget hearing. If you are increasing the amount above what was determined at the budget hearing, the revised Form 2 must be attached to the Certified Copy of Additional Appropriation supporting the increase requested. If no revised Form 2 is received, your request will be denied.

Line 5: January 1 Cash balance, including investments. This is the cash balance in the appropriate fund as of January 1 of the current year. This figure is taken from the Auditor's ledger book.

Line 6: Total funds available. Simply add the first five lines on the worksheet. This represents total funds available before any appropriations are deducted for this fund.

Line 7: Original Budget. This is line 1 of the 16-line statement provided by the State Board of Tax Commissioners at the fall budget hearing. The budget amount is also included in the final budget order.

Line 8: Encumbered appropriations. This amount would be any prior year carryovers for a particular fund. An example: \$5,000 in capital outlays were obligated through a purchase order or contract for office equipment but the check will not be written until after January 1. The original appropriation was in place the prior year but the funds were not spent.

Line 9: Total beginning appropriations. Simply add lines 7 and 8. This represents the amount of funds already committed for this fund.

Line 10: Surplus funds (6-9). This represents line 6 of this worksheet minus line 9. These are the funds available before the approval of any additional appropriations during the current calendar year.

Line 11: Amount appropriated since January 1st less any reductions in appropriations. This represents any additional appropriations either approved by the State Board of Tax Commissioners or currently in the process of being reviewed by the State Board of Tax Commissioners in excess of the budget during the current calendar year. It does not include the current year budget.

Line 12: Surplus funds remaining (10-11). This represents the total amount of uncommitted funds available for appropriation. If the amount on this line exceeds the amount requested, it is likely the additional appropriation will be approved if proper procedure has been followed. If the amount on this line is less than the amount requested, the appropriation approved will be the difference between the two figures.

The bottom of the Certified Copy of the Additional Appropriation must be completed to reflect the Auditor's certification of the information contained within the worksheet. The form is forwarded to the State Board of Tax Commissioners at 100 N. Senate Avenue, Room N1058, Indianapolis, Indiana 46204 for consideration.

The fourth step occurs when the State Board of Tax Commissioners receives a Certified Copy for a proposed additional appropriation from funds including revenue from property taxes, the State Board of Tax Commissioners determines whether sufficient funds are available during the calendar year for the proposal. The State Board of Tax Commissioners issues a written determination within 15 days of receipt of the proposal. The State Board of Tax Commissioners will limit the amount of the additional appropriation approval to revenues available, or to be made available, that have not been previously appropriated.



The State Board of Tax Commissioners shall determine whether sufficient funds are available during the calendar year for the proposal.

If an appropriation is to be funded with income in excess of revenue estimates made on Budget Form 2 at the time of the annual State Board of Tax Commissioner's budget hearing, then information supporting such additional revenue must be provided at the time of submission. If revenue is available from carry-over cash that is not encumbered from the previous year or the current budget, supportive evidence is not necessary. **Increased miscellaneous revenue must be shown by completing a revised Budget Form 2 (Estimate of Miscellaneous Revenues) that provides detail on the increases. If a Form 2 is not completed, the miscellaneous receipts will not be revised and the proposal will be denied until such information is received.**

If the appropriate information is not filed or the certified copy of additional appropriation is incomplete, the information will be returned to the taxing unit.

A county must appropriate the proceeds from bond or lease proceeds before expending the revenue. The additional revenue should be added to the Miscellaneous Revenue Form 2 to support the amount requested.



A county must appropriate the proceeds from any debt service issues before expending the revenue.

The fifth step identifies the procedures for the Auditor to follow in the event an additional appropriation is denied. If the State Board of Tax Commissioners disallows an additional appropriation, the State Board of Tax Commissioners shall specify the reason for its disapproval on the written determination sent to the county. If the State Board of Tax Commissioners denies an additional appropriation and the Auditor believes the denial is in error, the Auditor may appeal to the State Board of Tax Commissioners for reconsideration.

The Auditor may request a reconsideration of a determination by the State Board of Tax Commissioners by filing a written request for reconsideration. The State Board of Tax Commissioners will not respond to verbal requests for reconsideration. A request for reconsideration must:

- 1) Be filed with the State Board of Tax Commissioners within fifteen (15) days of the receipt of the determination by the political subdivision; and
- 2) State specifically the reason for the request for reconsideration.
- 3) There is no form for the request for reconsideration. A letter accompanied with the relevant information will be considered.



The Auditor may request a reconsideration of a determination by the State Board of Tax Commissioners by filing a written request for reconsideration.

Upon receipt of a request for reconsideration, the State Board of Tax Commissioners must act on the request within fifteen (15) days of receipt. The Certified Copy of Additional Appropriations, any revised Form 2's, and breakdown by fund and category must be sent to:

**STATE BOARD OF TAX COMMISSIONERS
BUDGET DIVISION
100 N SENATE AVE., ROOM N1058
INDIANAPOLIS IN 46204
Fax: 317-232-8779**

Additional appropriations must be received at least fifteen days before the end of each calendar year to allow for processing the request. The Budget Division has a December 15 deadline for all requests. Any additional appropriation received in a subsequent budget year requesting previous year appropriations will be denied.

The following summary outlines the additional appropriation procedures:

- 1) Notice to Taxpayers is published in two newspapers 10 days before a public meeting.
- 2) Public meeting is held on date and time as advertised. Resolution/Ordinance is passed.
- 3) All appropriations as adopted are forwarded to the State Board of Tax Commissioners in the form of the CERTIFIED COPY. Appropriations not from funds receiving property tax are available for use by the unit and need to be reported to the State Board of Tax Commissioners.
- 4) Appropriations from funds receiving property tax are reviewed by the State Board of Tax Commissioners to insure that funds are available.
- 5) A written determination on appropriations requiring approval is issued within fifteen (15) days of receipt by the State Board of Tax Commissioners. Appropriations are available for use once approval is made.
- 6) If appropriations are denied, unit may request specific reconsideration of determination by the State Board of Tax Commissioners within 15 days of receipt of notice. The request must be made in writing.
- 7) State Board of Tax Commissioners responds to reconsideration request within 15 days of receipt.

TRANSFER OF APPROPRIATIONS

The transfer process allows for movement of appropriations between categories. This process differs from an additional appropriation because transfer requests do not increase the amount budgeted in a particular fund but merely shifts the use of the funds between line items.

IC 6-1.1-18-6 reads "(a) The proper officers of a political subdivision may transfer money from one major budget classification to another within a department or office if:

- 1) they determine that the transfer is necessary;
 - 2) the transfer does not require expenditure of more money than the total amount set out in the budget as finally determined under this article;
 - 3) the transfer is made at a regular public meeting and by proper ordinance/resolution; and
 - 4) the transfer is certified to the county auditor.
- b) A transfer may be made under this section without notice and without the approval of the State Board of Tax Commissioners. **It is not necessary to file documentation on transfers with the State Board of Tax Commissioners.**

**SAMPLE
ADDITIONAL APPROPRIATION RESOLUTION/ORDINANCE**

WHEREAS, It has been determined that it is now necessary to appropriate more money than was appropriated in the annual budget; now, therefore:

Sec. 1. Be it ordained (resolved) by the _____
Governing Body
of _____, _____ County,
Taxing unit

Indiana, that for the expenses of the taxing unit the following additional sums of money are hereby appropriated out of the funds named and for the purposes specified, subject to the laws governing the same:

	AMOUNT REQUESTED	AMOUNT APPROPRIATED
Fund Name:		
Account Number, use of each appropriation:	\$ _____	\$ _____
TOTAL for _____ Fund:	\$ _____	\$ _____
(repeat for any other funds)		

(Include only when appropriations are being reduced)

Whereas, it has been shown that certain existing appropriations now have unobligated balances that will not be needed for the purposes for which appropriated, it is further ordained (resolved) that the following existing appropriations be reduced in the following amounts:

	AMOUNT REQUESTED	AMOUNT APPROPRIATED
Fund Name:		
Account Number, use of each appropriation:	\$ _____	\$ _____
TOTAL for _____ Fund:	\$ _____	\$ _____
repeat for any other funds)		

Adopted this _____ day of _____, 20____.
NAY AYE

_____	_____
_____	_____
_____	_____
_____	_____

ATTEST:

Auditor

**SAMPLE
PROOFS OF POSTING OF NOTICE OF ADDITIONAL APPROPRIATIONS**

I, _____, _____, of

(Official Title)
_____, _____ County, Indiana hereby certify
(Taxing Unit) (County Name)
that on _____, 20____, I did post in three (3) public places located in the
county a copy of the Notice to Taxpayers of Additional Appropriations. The
notice was in the form attached and made part of this certification. I further certify that the notice
was posted in each of the following places:

- 1) _____ 2) _____
3) _____

Date: _____

(Signature – Auditor)

ADDITIONAL APPROPRIATION RESOLUTION/ORDINANCE

Whereas, it has been determined that it is now necessary to appropriate more money than was appropriated in the annual budget; now, therefore:

Sec.1.Be it ordained (resolved) by the _____
(Governing Body)
of _____, _____ County, that for the expenses of the
(Taxing Unit)
taxing unit the following additional sums of money are hereby appropriated out of the funds
named and for the purposes specified, subject to laws governing the same:

	AMOUNT REQUESTED	AMOUNT APPROPRIATED
Fund Name:		
Account number, use of each appropriation:	\$ _____	\$ _____
TOTAL for _____ Fund:	\$ _____	\$ _____

Adopted this _____ day of _____, 20____.

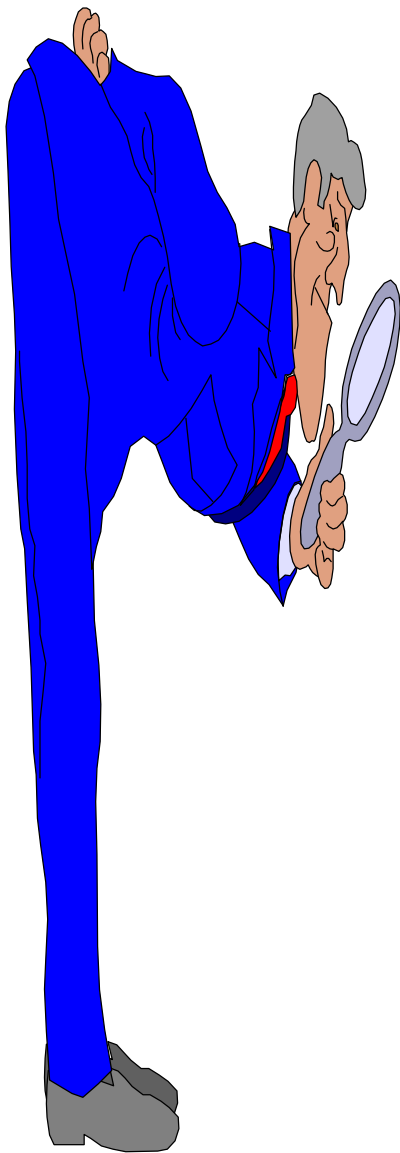
NAY	AYE
_____	_____
_____	_____
_____	_____
_____	_____

ATTEST:

County Auditor

Summary

Chapter 7: Additional Appropriations

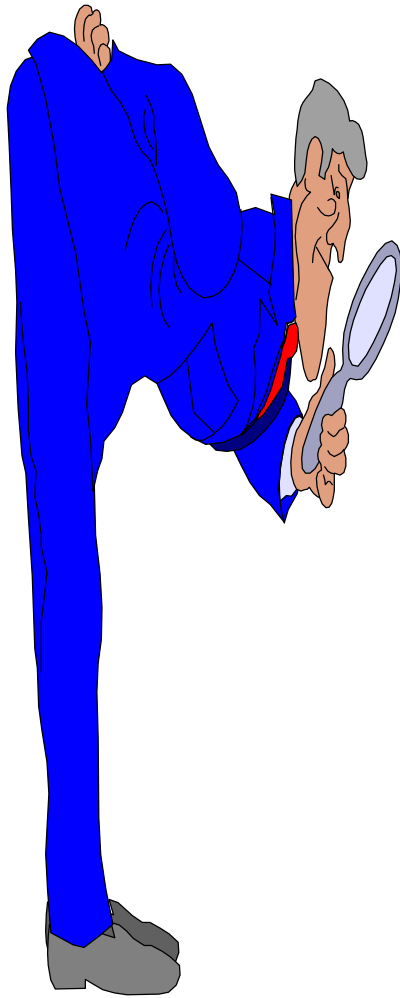


In this section, we have discussed the following:

- *The additional appropriation process used to appropriate money in excess of the established current year budget.*
- *Legal notices for additional appropriations, whether or not they require approval of the State Board of Tax Commissioners, must be published one (1) time in one (1) or two (2) newspapers, no less than ten (10) days before the public hearing on the proposal.*
- *The second step requires the proper officers of the county to hold a public hearing on the proposal as advertised.*
- *The third step requires the Auditor to file, after the public hearing, a Certified copy of their final proposal and any other relevant information with the State Board of Tax Commissioners.*
- *The final step for an additional appropriation requires a certification to the State Board of Tax Commissioners.*

Summary (Continued)

Chapter 7: Additional Appropriations



In this section, we have discussed the following:

- *...the State Board of Tax Commissioners shall determine whether sufficient funds are available during the calendar year for the proposal.*
- *A county must appropriate the proceeds from a debt service issue before expending the revenue.*
- *The State Board of Tax Commissioners shall issue a decision regarding additional appropriations within a fifteen day period.*
- *The County Auditor may request a reconsideration of a determination by the State Board of Tax Commissioners by filing a written request for reconsideration.*

